1/30/85 B5050-4

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NATIONAL TREND OF BUSINESS
Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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OCTOBER 1984 COMPARED WITH OCTOBER 1983

OCCUPANCY DECLINES;
ROOM RATES SURGE

Following last month's rise in lodging demand, the occupancy percent for October dropped 0.3 percent below the level reported in October 1983 falling to 71.4 percent. However, this decline was not broad-based as most of the regional sectors we track reported moderate increases in occupancy for October 1984, with only the Southeast area experiencing a sharp 5.7 percent decline. Year-to-date occupancy for the ten month period is 1.8 percent ahead of last year, lending support to our projection that total year end occupancy will be approximately two percentage points higher than that recorded for 1983.

Room rates continue to surge, jumping 7.9 percent to $61.14, when compared to October 1983 results. The largest increases were observed in large (over 600 rooms) and Northeastern properties; nevertheless, every segment recorded significant increases for the month. Food and beverage sales were down slightly for the month but are up 5.9 percent on a year to date basis.

Based upon ten months of information, we expect total industry receipts at year end to be approximately $33 billion, which represents an increase of slightly more than 11 percent over the previous year. This is largely the result of the substantial increases in room rates over 1983, which are up 7.1 percent for the year. For the remaining two months of 1984, we expect occupancies to remain at about 1983 levels and room rates to continue their year long surge.

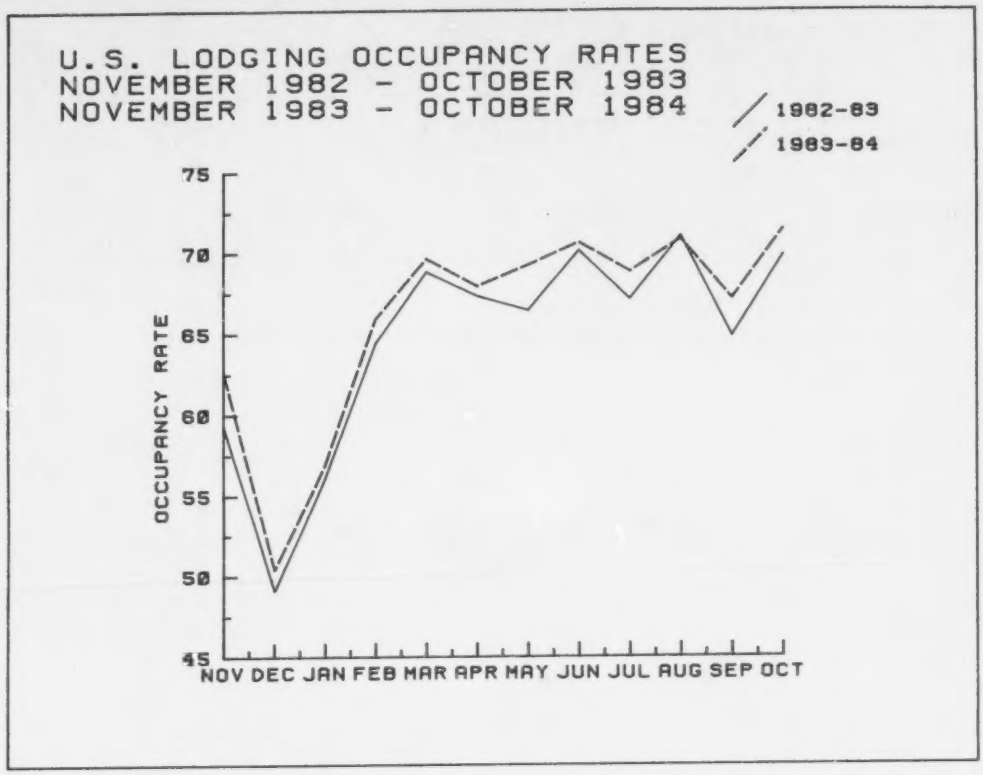
	Projections	Actual Last Year
December 1984	49-51%	50.4%
January 1985	56-58%	56.9%
February 1985	64-66%	65.9%

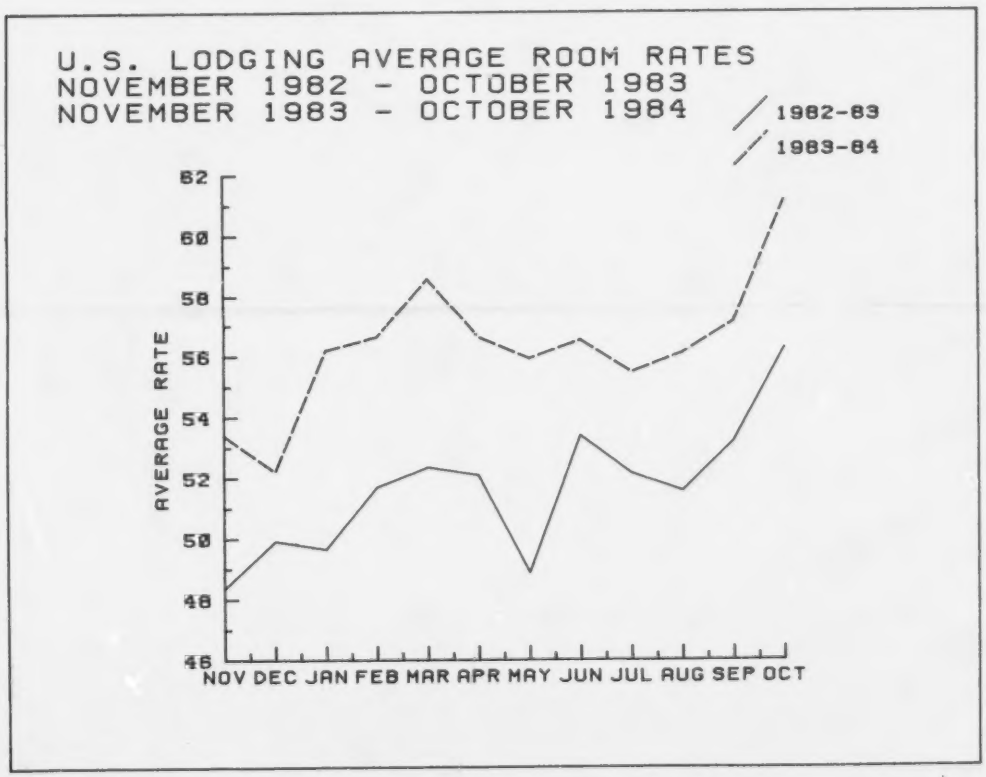
SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	66.4%	–0.4%
AFFILIATION:		
Chain	67.8	–
Independent	62.9	–4.4
AREA:		
Northeast	74.6	1.1
Southeast	64.3	–0.8
North Central	65.9	0.5
South Central	61.7	–0.3
West	68.9	–6.5
LOCATION:		
Center City	67.3	–1.3
Suburban	64.9	–1.4
Highway	65.9	–1.3
Airport	72.8	3.7
Resort	61.7	–7.9
SIZE:		
Under 150 rooms	64.9	–0.6
150 to 299 rooms	67.3	0.3
300 to 600 rooms	63.7	–4.4
Over 600 rooms	69.7	–1.4
TYPE:		
Hotel	66.4	–1.9
Motor Hotel	65.6	–1.6
Economy	68.5	7.7

* FROM PREVIOUS MONTH
– NO CHANGE

Mark Lomanno, Senior Research Associate
Marsha Cassidy, Research Associate
Research and Development


U.S. LODGING OCCUPANCY RATES
NOVEMBER 1982 - OCTOBER 1983
NOVEMBER 1983 - OCTOBER 1984
1982-83
1983-84
OCCUPANCY RATE
75
70
65
60
55
50
45
NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT


U.S. LODGING AVERAGE ROOM RATES
NOVEMBER 1982 - OCTOBER 1983
NOVEMBER 1983 - OCTOBER 1984
1982-83
1983-84
AVERAGE RATE
62
60
58
56
54
52
50
48
46
NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT

TREND REPORT OCTOBER 1984 COMPARED WITH OCTOBER 1983

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	5.9	7.7	-0.4	21.0	71.4	-0.3	45.7	-3.6	$ 61.14	7.9	$ 92.10	6.1
REGION:												
Northeast	9.1	11.2	0.7	28.5	86.8	0.1	40.7	0.2	$ 91.36	10.6	$133.45	8.5
Southeast	1.8	0.7	-2.1	34.4	64.7	-5.7	68.6	-4.6	55.55	7.0	90.56	8.1
North Central	5.4	8.8	-0.5	1.0	71.5	3.0	35.6	-5.3	45.95	5.9	71.31	2.6
South Central	5.4	7.8	-0.9	8.1	66.1	0.3	37.9	5.3	53.63	7.0	77.79	4.7
West	6.7	9.2	0.7	14.8	73.0	1.7	42.4	-9.4	59.04	6.9	87.01	4.4
AFFILIATION:												
Chain	6.2	8.1	0.2	16.1	72.3	-0.1	44.0	-3.9	$ 60.57	8.3	$ 89.58	6.4
Independent	4.6	6.0	-2.7	39.8	67.1	-1.5	52.8	-2.6	63.87	6.2	104.29	4.8
LOCATION:												
Center City	7.5	9.9	-0.4	22.6	77.3	0.8	41.7	-0.5	$ 81.76	9.2	$121.92	6.8
Suburban	6.3	7.4	3.7	9.4	68.9	-0.3	36.7	-2.7	49.74	7.4	76.25	6.3
Airport	9.9	13.2	3.2	6.4	75.7	7.2	26.4	-7.0	52.74	7.3	77.93	4.1
Highway	2.5	3.9	-3.2	7.1	67.9	-2.7	58.5	-5.9	39.78	6.2	53.62	4.7
Resort	-0.3	-1.0	-5.5	39.3	61.4	-7.7	76.2	-1.7	62.00	5.2	107.63	5.9
SIZE:												
Under 150 Rooms	7.6	9.0	2.4	18.7	67.7	1.8	51.3	-1.9	$ 39.09	7.2	$ 53.64	5.9
150 - 299 Rooms	6.9	8.6	2.7	10.8	69.9	1.3	38.1	-5.5	50.73	7.0	76.33	5.3
300 - 600 Rooms	5.8	6.4	0.5	32.9	69.3	-2.0	45.4	-11.5	65.90	7.6	104.01	7.0
Over 600 Rooms	4.5	7.5	-4.4	18.6	79.9	-2.7	50.5	3.9	89.78	10.9	134.97	7.8
TYPE:												
Hotel	6.1	8.1	-0.6	23.9	73.9	0.4	42.5	-3.0	$ 73.75	7.8	$116.19	5.8
Motor Hotel	5.2	6.7	0.2	10.0	67.8	-2.3	48.6	-4.1	46.66	8.4	64.54	6.9
*Economy	6.8	7.5	-7.9	4.8	69.8	3.3	63.4	-6.4	30.16	4.2	32.38	3.5

* Economy data are based on a sample of properties from the National Trend of Business in the Economy Lodging Industry.

YEAR TO DATE TREND REPORT - AS OF OCTOBER 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	8.9	10.0	5.9	11.3	67.8	1.8	52.6	-2.2	$ 56.66	7.1	$ 85.21	6.0
REGION:												
Northeast	10.7	12.1	6.5	14.4	72.3	2.4	40.7	1.8	$ 79.72	10.0	$117.15	8.6
Southeast	5.5	5.4	4.5	10.9	68.8	-2.3	83.9	-3.1	56.69	7.1	87.99	7.3
North Central	10.3	12.3	6.2	12.5	66.4	5.1	40.9	-1.7	44.62	5.9	69.43	4.1
South Central	9.0	10.6	5.8	6.5	62.7	2.3	40.7	3.6	50.61	5.6	74.45	4.1
West	9.7	10.9	6.8	12.4	72.1	2.6	50.6	-3.8	56.43	7.8	83.58	6.6
AFFILIATION:												
Chain	8.3	9.7	4.7	9.9	68.8	1.8	49.3	-2.0	$ 55.42	7.2	$ 81.41	5.8
Independent	11.0	11.3	9.6	15.2	64.0	1.7	64.7	-3.4	62.00	6.9	101.60	6.6
LOCATION:												
Center City	11.9	13.6	8.0	13.1	66.4	3.8	44.3	2.8	$ 70.80	8.3	$107.38	6.7
Suburban	6.9	8.5	3.5	8.6	66.8	1.8	41.5	-3.3	47.98	5.5	73.22	4.0
Airport	8.3	10.2	4.2	8.6	72.2	3.4	32.1	-3.0	51.42	6.3	76.96	4.5
Highway	4.4	5.0	2.5	3.4	68.7	-0.4	64.5	-4.3	39.71	4.7	52.36	4.2
Resort	7.8	7.7	6.7	13.7	67.2	-0.7	94.1	-3.0	68.05	7.2	111.53	7.3
SIZE:												
Under 150 Rooms	7.3	8.1	4.8	6.6	68.4	2.7	62.3	-2.2	$ 38.75	5.2	$ 51.07	4.4
150 - 299 Rooms	7.4	9.0	3.8	7.8	67.9	1.6	46.4	-3.1	49.44	6.2	73.70	4.7
300 - 600 Rooms	7.6	8.5	4.8	13.1	65.7	1.4	52.2	-4.0	63.05	6.3	99.69	5.4
Over 600 Rooms	12.5	13.7	9.6	13.4	69.7	1.3	54.8	0.4	80.50	9.9	124.15	8.8
TYPE:												
Hotel	10.1	11.5	6.9	12.9	67.6	3.0	48.6	-0.2	$ 68.26	7.2	$108.97	5.8
Motor Hotel	6.6	7.8	3.0	6.3	68.2	-	56.3	-4.3	45.74	6.5	62.63	5.3
Economy	4.0	4.5	-2.9	-5.4	67.5	1.2	75.8	-3.2	30.75	3.5	33.12	3.0

- NO CHANGE

FOOD AND BEVERAGE REPORT - OCTOBER 1984 COMPARED WITH OCTOBER 1983

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$33.11	$33.00	$ 9.70	$ 9.35	0.31	0.31	0.21	0.21	41.4	40.1	$ 5.76	$ 5.42	-3.9
REGION:													
Northeast	$39.49	$39.29	$11.68	$11.31	0.28	0.28	0.19	0.20	38.3	36.7	$ 7.20	$ 6.82	-
Southeast	33.91	32.18	10.30	10.21	0.32	0.31	0.21	0.21	42.7	41.6	6.18	5.83	-8.1
North Central	31.59	32.24	7.98	7.84	0.33	0.34	0.21	0.23	39.9	39.1	4.22	4.07	-0.6
South Central	25.57	26.32	8.42	7.94	0.34	0.34	0.23	0.22	44.5	43.2	5.43	5.17	-5.7
West	35.92	36.03	9.94	9.21	0.33	0.33	0.22	0.21	44.7	42.6	5.67	4.92	-5.3
AFFILIATION:													
Chain	$30.22	$29.95	$ 9.36	$ 8.98	0.31	0.31	0.21	0.21	41.5	40.6	$ 5.74	$ 5.41	-2.7
Independent	49.90	50.56	11.01	10.66	0.33	0.32	0.22	0.23	41.1	38.2	5.88	5.42	-8.4
LOCATION:													
Center City	$37.99	$38.24	$11.05	$10.71	0.29	0.29	0.20	0.20	42.5	41.4	$ 6.89	$ 6.60	-2.9
Suburban	28.53	27.49	8.43	7.98	0.33	0.34	0.22	0.23	40.5	40.1	4.77	4.53	0.1
Airport	25.20	25.67	8.45	7.78	0.33	0.35	0.23	0.23	42.7	42.5	5.14	4.62	-4.5
Highway	23.00	22.85	7.07	6.78	0.35	0.35	0.22	0.22	37.7	35.8	3.44	3.18	-7.9
Resort	45.01	43.60	10.84	10.80	0.33	0.32	0.22	0.22	39.2	36.0	6.02	5.54	-8.0
SIZE:													
Under 150 Rooms	$29.72	$29.51	$ 7.25	$ 6.94	0.37	0.38	0.24	0.24	38.0	37.9	$ 3.70	$ 3.55	-0.1
150 - 299 Rooms	26.55	26.13	8.39	7.92	0.33	0.34	0.23	0.23	40.6	39.5	4.72	4.42	-1.6
300 - 600 Rooms	34.79	34.16	10.12	9.48	0.32	0.32	0.22	0.22	44.4	42.5	6.17	5.55	-7.1
Over 600 Rooms	41.50	41.93	12.11	12.12	0.28	0.28	0.18	0.19	40.2	39.0	7.65	7.34	-4.7
TYPE:													
Hotel	$39.16	$39.39	$10.46	$10.22	0.30	0.31	0.21	0.21	41.7	40.3	$ 6.28	$ 5.98	-2.8
Motor Hotel	21.68	21.14	7.74	7.17	0.35	0.35	0.22	0.23	40.2	39.4	4.39	3.98	-6.4

- NO CHANGE

YEAR TO DATE FOOD AND BEVERAGE REPORT - AS OF OCTOBER 1984

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$31.33	$30.34	$ 9.08	$ 8.61	0.33	0.34	0.22	0.22	45.4	44.5	$ 5.80	$ 5.47	0.9
REGION:													
Northeast	$35.56	$34.02	$11.42	$10.78	0.31	0.32	0.20	0.20	48.8	48.1	$ 8.13	$ 7.74	2.2
Southeast	30.59	28.60	8.98	8.58	0.34	0.34	0.22	0.22	42.6	41.3	5.63	5.20	-0.6
North Central	31.10	31.05	7.63	7.44	0.34	0.34	0.22	0.22	43.3	43.1	4.42	4.29	3.4
South Central	26.27	26.14	8.33	7.80	0.35	0.35	0.22	0.22	46.5	46.0	5.50	5.27	-0.7
West	35.27	34.07	9.37	8.75	0.34	0.34	0.22	0.22	45.7	44.2	5.55	5.02	0.2
AFFILIATION:													
Chain	$27.89	$27.23	$ 8.83	$ 8.41	0.33	0.33	0.21	0.21	45.6	44.7	$ 5.82	$ 5.51	0.8
Independent	48.12	45.87	9.80	9.20	0.35	0.35	0.23	0.23	44.8	44.0	5.72	5.34	1.2
LOCATION:													
Center City	$35.02	$34.09	$10.43	$ 9.77	0.32	0.32	0.21	0.21	49.2	48.8	$ 7.22	$ 6.85	1.1
Suburban	27.86	27.65	7.98	7.73	0.35	0.35	0.22	0.22	43.6	42.3	4.92	4.66	2.0
Airport	26.02	25.72	8.13	7.78	0.34	0.34	0.22	0.22	44.2	43.1	5.05	4.79	0.7
Highway	21.32	20.47	6.74	6.21	0.36	0.36	0.23	0.23	39.3	39.1	3.57	3.30	-3.4
Resort	42.59	39.87	9.64	9.32	0.35	0.34	0.22	0.22	40.2	38.8	5.33	4.96	2.0
SIZE:													
Under 150 Rooms	$28.58	$27.93	$ 6.92	$ 6.39	0.38	0.39	0.25	0.25	39.9	39.4	$ 3.79	$ 3.56	-0.6
150 - 299 Rooms	25.21	24.84	7.75	7.38	0.35	0.35	0.23	0.23	43.0	42.3	4.66	4.41	-0.2
300 - 600 Rooms	33.92	32.97	9.37	8.98	0.34	0.34	0.22	0.22	47.2	45.8	6.16	5.78	1.0
Over 600 Rooms	38.77	36.70	11.58	10.88	0.30	0.31	0.19	0.19	46.9	46.5	7.78	7.43	3.1
TYPE:													
Hotel	$37.20	$36.21	$ 9.78	$ 9.28	0.33	0.33	0.21	0.21	46.4	45.7	$ 6.37	$ 6.02	1.5
Motor Hotel	21.53	20.95	7.23	6.90	0.36	0.36	0.22	0.22	41.7	40.7	4.32	4.07	-0.6

TWELVE MONTH TREND REPORT - AS OF OCTOBER 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	OCT	% CHG	OCT	% CHG	OCT	% CHG	OCT	% CHG
TOTAL	8.8	9.9	5.9	10.4	65.8	2.0	51.8	-2.1	$ 55.95	6.8	$ 85.06	5.7
REGION:												
Northeast	10.8	12.2	7.2	13.5	71.2	3.2	40.4	2.0	$ 78.99	9.6	$117.69	8.3
Southeast	5.1	5.2	3.8	10.3	67.0	-2.0	82.3	-2.9	55.67	6.8	87.34	6.8
North Central	10.6	12.6	6.7	12.6	64.0	5.8	40.6	-1.5	44.11	5.7	69.51	3.9
South Central	8.2	9.8	5.1	5.1	60.7	2.0	40.0	2.6	50.02	5.1	74.23	3.6
West	9.9	11.0	7.4	11.0	69.5	3.0	50.1	-2.5	55.57	7.6	83.05	6.5
AFFILIATION:												
Chain	8.2	9.6	4.8	9.1	66.7	2.0	48.6	-1.6	$ 54.73	6.8	$ 81.30	5.5
Independent	10.8	11.2	9.4	14.5	62.3	2.3	63.6	-3.2	61.22	6.6	101.40	6.2
LOCATION:												
Center City	11.5	13.2	7.9	11.8	64.6	3.9	43.9	2.6	$ 69.98	8.0	$107.64	6.4
Suburban	7.0	8.6	3.7	7.9	64.8	2.2	41.1	-2.4	47.49	5.3	72.93	3.7
Airport	8.1	9.9	4.4	6.6	70.2	3.7	31.6	-2.2	50.81	5.8	76.76	4.0
Highway	5.0	5.5	3.3	3.7	66.5	-	62.9	-4.4	39.14	4.7	51.99	4.2
Resort	7.5	7.5	6.3	13.7	65.1	-0.5	92.6	-3.0	67.08	7.1	111.41	7.1
SIZE:												
Under 150 Rooms	7.5	8.2	5.1	7.0	65.7	3.0	61.2	-1.8	$ 38.20	4.9	$ 50.81	4.2
150 - 299 Rooms	7.5	9.1	4.0	7.3	65.9	2.2	45.7	-3.2	48.89	5.9	73.70	4.3
300 - 600 Rooms	7.3	8.1	4.9	12.2	63.8	1.3	51.5	-3.7	62.36	6.1	99.55	5.3
Over 600 Rooms	12.1	13.3	9.4	12.1	68.4	1.6	54.1	0.9	79.33	9.5	123.91	8.3
TYPE:												
Hotel	9.8	11.2	6.9	12.0	65.9	3.3	48.1	0.2	$ 67.55	6.8	$109.24	5.5
Motor Hotel	6.8	8.1	3.0	5.8	66.1	0.6	55.2	-4.3	45.09	6.3	62.23	5.0
Economy	4.0	4.6	-2.8	-5.0	64.7	1.7	73.7	-2.9	30.50	3.4	32.91	2.8

- NO CHANGE

TWELVE MONTH FOOD AND BEVERAGE REPORT - AS OF OCTOBER 1984

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$32.07	$31.09	$ 9.18	$ 8.72	0.33	0.34	0.22	0.22	45.2	44.4	$ 5.88	$ 5.56	1.2
REGION:													
Northeast	$37.23	$35.50	$11.69	$10.98	0.30	0.31	0.20	0.20	48.1	47.7	$ 8.21	$ 7.81	2.1
Southeast	30.94	29.20	9.06	8.70	0.34	0.34	0.22	0.22	42.3	41.0	5.70	5.30	-0.7
North Central	31.95	31.95	7.73	7.52	0.34	0.35	0.22	0.22	43.2	43.0	4.49	4.38	4.2
South Central	26.75	26.71	8.42	7.93	0.35	0.35	0.22	0.22	46.5	46.0	5.59	5.36	-0.4
West	35.73	34.33	9.38	8.77	0.34	0.34	0.22	0.22	46.1	44.7	5.62	5.11	0.8
AFFILIATION:													
Chain	$28.65	$27.99	$ 8.96	$ 8.54	0.33	0.33	0.21	0.21	45.3	44.6	$ 5.90	$ 5.60	1.0
Independent	48.88	46.70	9.81	9.23	0.35	0.35	0.23	0.24	44.7	44.0	5.81	5.44	1.6
LOCATION:													
Center City	$36.26	$35.30	$10.60	$ 9.95	0.31	0.32	0.20	0.21	48.8	48.4	$ 7.30	$ 6.92	1.3
Suburban	28.23	28.03	8.00	7.76	0.35	0.35	0.22	0.22	43.3	42.1	4.91	4.70	2.5
Airport	26.63	26.36	8.19	7.84	0.34	0.34	0.22	0.22	44.0	43.0	5.11	4.86	1.2
Highway	21.74	20.84	6.76	6.26	0.36	0.37	0.23	0.23	39.4	39.4	3.61	3.37	-2.7
Resort	43.13	40.56	9.66	9.34	0.35	0.35	0.22	0.22	40.2	39.0	5.42	5.09	1.8
SIZE:													
Under 150 Rooms	$29.09	$28.46	$ 6.93	$ 6.61	0.39	0.39	0.25	0.25	39.9	39.5	$ 3.80	$ 3.60	-
150 - 299 Rooms	25.91	25.59	7.78	7.42	0.35	0.35	0.23	0.23	42.9	42.3	4.68	4.45	0.3
300 - 600 Rooms	34.53	33.47	9.46	9.05	0.34	0.34	0.22	0.22	47.1	46.0	6.23	5.87	0.8
Over 600 Rooms	39.85	37.86	11.78	11.12	0.30	0.31	0.19	0.19	46.5	46.0	7.94	7.58	3.4
TYPE:													
Hotel	$38.21	$37.18	$ 9.90	$ 9.41	0.33	0.33	0.21	0.21	46.1	45.5	$ 6.46	$ 6.13	1.8
Motor Hotel	21.90	21.39	7.24	6.92	0.36	0.36	0.22	0.22	41.7	40.7	4.34	4.10	-0.2

- NO CHANGE